Q.1 Give two examples of different types of global exchange which took place before the 17th century, choosing one example from Asia and one example from Americas.

Ans: Two examples of different types of global exchange which took place before the 17th century are as follows:

(i) The period before the 17th century saw the steady rise in the global exchanges between different countries. Travellers, traders, priests and pilgrims travelled vast distances and carried goods, money, value, skills, ideas and inventions with themselves to Asia. In Asia the Silk route was an example of busy trade and cultural links between different countries. The Chinese pottery, textiles and spices along with culture travelled through these routes to Europe and North Africa.

(ii) The foods like potatoes, soya, maize, groundnuts, tomatoes, chillies etc. came from America. Many of our common food products came from American Indians who resided in America.

Q.2. Explain how the global transfer of disease in the pre-modern world helped in the colonisation of the Americas.

Ans: European sailors crossed the western ocean to the Americans in the 16th century. Before it, the Americans had been cut off from regular contact with the rest of the world. The European conquest and colonisation of the Americans was not just the result of superior firepower but through disease. The transfer of germs and diseases from Europe to America was the most important cause of the Spanish and Portuguese conquest of this region. The diseases like small-pox were the most powerful weapons in the hands of colonial powers. The people of America had no immunity against the disease that came from Europe and hence proved fatal for them. These diseases killed and wiped out whole communities resulting in poverty and hunger and paved way for foreign domination. Weapons and soldiers could be destroyed and captured, but the disease could not be fought against. Taking the advantage of this situation the European powers colonised America by exploiting their poverty and helplessness.

Q.3. Write a note to explain the effects of the following:

a) The British government's decision to abolish the Corn Laws:

Ans: The laws which allowed the British government to restrict the import of corn were commonly known as Corn Laws. The industrialists forced the government to abolish these laws. After the abolition of these laws the Britishers were able to import food grains into Britain more cheaply than they could be produced within the country. The British agriculture was not able to compete with imports. As a result vast areas of land were left uncultivated and a large number of people were left without any work. To find jobs people migrated to urban areas to work in industries. As food prices fell, consumption in Britain rose. Faster industrial growth in Britain also led to higher incomes and therefore, more food imports. Around the world in Eastern Europe, Russia, America, Australia, lands were cleared and food production expanded to meet the British demand.

b) The coming of rinderpest to Africa:

Ans: 'Rinderpest' a fast spreading and devastating cattle disease also known as cattle plague arrived in Africa in the late 1880s from British Asia. It spread westward like forest fire. It had devastating effect on people's livelihood and economy. It killed almost 90 percent of cattle in the most parts of Africa. The loss of cattle destroyed the African livelihood as all the people were dependant on cattle for their living. The remaining cattle resources were monopolised by the colonial government and rich people to strengthen their power. Planters, mine workers and colonial government forced the poor Africans into the labour market which gave rise to the slave trade. This was a major reason why European colonisers were able to conquer and subdue Africa.

c) The death of men of working-age in Europe because of the World War:

Ans: The First World War caused widespread destruction of life and property. During war time the European countries had recruited millions of youth in their army to fight the world war on borders. The world war killed millions of people most of whom were of working age. This reduced the workforce in Europe resulting in the decrease of household income. Industries were restructured to produce war related goods. As men were busy fighting wars, women came out to support the livelihood of their families. The

household income declined as there were fewer members to support the family needs. The trade also suffered huge losses.

d) The Great Depression on the Indian economy:

Ans: The effects of the Great Depression on Indian economy were very devastating:

(i) It affected the international trade of India very badly as the amount of imports and exports declined considerably. India's imports and exports decreased to half between 1928 and 1934.

(ii) The prices of goods also decreased. The price of wheat fell by 50 percent and that of jute by 60 percent.

(iii) Peasants and farmers suffered more than urban people. Though the agricultural price fell sharply, the British Government refused to reduce land revenue. The poor peasants used up their savings, mortgaged their lands and sold their jewellery to meet their expenses. India became an exporter of precious metals, notably gold. The indebtedness of peasants also increased.

(iv) The Great Depression ruined the local cottage industry of India resulting in large scale unemployment.

(v) Landlords and middle class salaried employees in cities found themselves better off because of falling prices.

e) The decision of MNCs to relocate production to Asian countries:

Ans: The Multinational Companies (MNCs) are the companies that operate in several countries at the same time. The first MNCs worked in Europe. But the high import taxes imposed by the government forced them to locate manufacturing operations to Asian countries like India, China, Philippines, Maldives etc. During 1970s to 1990s the industrial world of Europe was hit by large scale unemployment. This prompted these companies to shift their production to the Asian countries which increased job opportunities among the people. It was because of the fact that the Asian countries had low cost structure due to low wages. New varieties of things were manufactured on a large scale in the Asian countries due to the relocation of MNCs. It enabled people to enjoy various items. The MNCs also stimulated world trade and capital flows.

Q.4. Give two examples from history to show the impact of technology on food availability.

Ans: The coming of technology revolutionised the sphere of food availability. The faster railways, lighter wagons and larger and refrigerated ships helped to move food more cheaply and quickly from faraway farms to the markets e.g.

1. The trade in meat reached new heights during late 19th century. Till 1870s animals were shipped live from America to Europe and slaughtered at their destinations. Many died in voyage, fell ill or lost weight which made meat more expensive. With the advent of new technology, animals were first slaughtered and then transported in refrigerated ships as frozen meat which reduced its cost.

2. The improvement in the means of irrigation is another example of the positive role of technology in food industry. A network of canals was built to transform semi-desert fields into fertile land in Punjab. As a result wheat and cotton could now be grown for export.

In short, the advent of technology decreased the cost of food and made it available to the common people at cheap rates. Further food could now be stored for longer periods.

Q.5. What is meant by the Bretton Woods Agreement?

Ans: To preserve economic stability and full employment in the industrial world was the biggest challenge that the European powers had to face after the Second World War. In July 1944, the United Nations Monetary and Financial Conference was held at Bretton Woods in USA to answer this challenge. This conference, known as Bretton Woods Conference, established the International Monetary Fund (IMF) to deal with these issues. The International Bank for Reconstruction and Development (World Bank) was also established to finance post war reconstruction. Both these institutions started their financial operations in 1947. The Bretton Woods Agreement started an unprecedented growth of trade with the help of IMF and World Bank also referred to as Bretton Woods Twins. This agreement was made to meet the industrial needs of the industrial countries. It was based on the fixed exchange rates in which national currencies were pegged to the dollar at a fixed exchange rate.

Q.6. Explain the causes of the Great Depression.

Ans: The Great Depression was first signalled from U.S.A when the stock market of U.S.A 'Wall Street' crushed on 29 October 1929 (Black Tuesday) and lasted till mid-1930s. Due to this depression millions were left unemployed and the economy of almost all the countries collapsed. The following were the main causes responsible for the Great Depression:
a) Agricultural Overproduction: The agricultural over production during this period was made worse by the falling prices of agricultural products. The farmers tried to expand production to increase their income which further reduced the prices. During 1929, farmers of east Europe expanded their production to compete with the production of U.S.A. As a result agricultural goods remained unsold and got rotten in shops and godowns for the lack of buyers
b) Overseas Loans of U.S.A: In mid 1920s most of the countries of Europe financed their investments through loans from USA. In 1928, US overseas loans amounted to over $1 billion. In 1929, the amount of loans was reduced by one-fourth forcing USA ultimately to withdraw overseas loans. The countries dependant on US loans faced acute crisis. The banks around the world failed and currencies collapsed causing loss of savings of common people.
c) Hike in US import duty: The US doubled import duties to protect its economy giving a severe blow to the world economy. Farmers could not sell their harvest, households were ruined and business collapsed.

Q.7. Explain what is referred to as G-77 countries. In what ways can G-77 be seen as a reaction to the activities of Bretton Woods twins?
Ans: Group of 77 countries or G-77 is an organisation of developing nations formed on 15 June 1964 to promote the collective economic interests of its members. The activities of Bretton Woods Twins had given the control of vital resources in the hands of former colonial powers. These developing countries and the newly independent countries formed after decolonisation were not satisfied with the new economic order of the United Nations under International Monetary Fund.
G-77 seen as a reaction to the activities of the Bretton Woods twins:
Since the IMF and World Bank have been established by the developed countries and the decision making in these institutions is controlled by the Western industrial powers. Therefore, the developing countries have no say in these institutions. The G-77 countries wanted to form a New International Economic Order (NIEO) that would give them real control over their natural resources, markets for the finished products of developing nations in the West, fairer prices for raw materials and more development assistance.
Therefore the formation of G-77 and NIEO was a strong reaction against the policies of IMF and World Bank which gave opportunities to the Western powers to exploit developing countries.

Q.8. Explain three types of movements or flows within international economic exchange. Find one example of each involving India.
Ans: The three types of flows within international economic exchange are as under:
I. Flow of goods: The flow of goods is referred to as the trade in textiles and food products. With the expansion in industrialisation, the industrial countries needed raw materials to feed their industries which they transported from Asia and Africa. India exported raw materials especially cotton and indigo to Britain. Britain grew opium in India and exported to China. In 1820s India became the single largest exporter of opium to China. These items were mainly produced by the farmers of Bengal, Punjab and Rajasthan.
II. Flow of capital: This refers to the short term and long term transfer of capital over long distances. Capital was required to grow food and other crops for the world market. Indian bankers like Shikaripuri Shroffs and traders like Nattukottai Chettiars financed agricultural exports in Central and Southeast Asia.
III. Flow of labour: There was a large scale migration of labour from India to Europe and America during the 19th century under Inland Emigration Act, 1859. A large number of Indian labourers went to work in the plantation fields, mines and in railway projects all over the world. These workers were hired under contracts which promised return travel to India.

Q.9. Write a note on Indian indentured labourers.
Ans: Indentured labour is a bonded labour who is hired on contract for a specific period of time. In the 19th century, thousands of Indian labourers went to work on plantations, in mines, in road and railways construction projects around the world. In India, indentured labourers were hired under contract which promised return travel to India after they had worked for five years on their employer's plantation. Most

Indentured workers came from the present day regions of eastern Uttar Pradesh, Bihar, central India and the dry districts of Tamil Nadu. These regions experienced many changes like their cottage industries declined, land rent rose, and forests were cleared for mines and plantations. All this affected the lives of the poor; they failed to pay their rents, became deeply indebted and were forced to migrate in search of work. These people were mainly sent to the Caribbean Islands (mainly Trinidad), Mauritius, Fiji, Ceylon and Malaya. The agents often gave false promises and workers were not told about the place of work, living and working condition. In 1921 Indenture labour migration was officially banned in India.